

# The Letter

[www.chinneckshaw.co.uk/theletter](http://www.chinneckshaw.co.uk/theletter) Winter 2022 Issue 30

## 2022: What's in store for the lettings market?



As we move into 2022, numerous factors are set to influence the lettings market for better or worse.

**To maintain peace of mind, we recommend landlords are aware of these and, if necessary, prepare accordingly. First, let's consider market trends. Any decision about starting or expanding a rental portfolio will depend on likely returns. So what we can say about rental prices? Do they signal that the rental market is a good place in which to invest?**

The good news here is that rental price growth remains strong. In Portsmouth, the average rent has gone up by 5.3 per cent in the past year. More widely, Zoopla reported that the third quarter of 2021 saw a 13-year high with average UK growth reaching 4.6 per cent. The forecast is similarly upbeat with further price rises of between 2.5 and 4.5 per cent predicted during 2022. In some areas, growth at the higher end will even exceed pre-pandemic levels.

Wherever the average is tipped to land, most commentators looking at the current balance of supply and demand agree that average market rents will rise in 2022. Second, landlords should be aware of a raft of potential legislative changes enshrined in the government's Renters' Reform Bill.

A long-awaited white paper on the proposals is expected in the first half of the year having been put back due to the impact of the pandemic on parliamentary business.

Although the delay means any changes are unlikely to see the light of day until 2023, it is important to prepare early and that means staying up to speed with the bill's progress this year.

One aspect that has gained recent attention is the potential removal of Section 21 of the Housing Act 1988, the right of so-called 'no fault' eviction.

There are many legitimate reasons why a landlord may seek to invoke the law in this area to take their property back.

Should the law strengthen tenants' rights to the extent that Section 21 is removed, it is likely to be replaced with a more comprehensive interpretation of grounds for repossession, for example under the existing Section 8. A key consideration for policymakers, and of course landlords and tenants, will be whether or not any new provisions should apply to existing tenancies or only new ones. Whatever the outcome, our strong advice to landlords seeking eviction will remain that you must make sure all requirements and stages in the process are fully complied with. There are lots of details to be mindful of, and if you don't fulfil the letter of the law on each one, you could easily risk a costly and long-drawn-out legal nightmare before the tenant moves.

Another change that could see its way into reformed legislation is the introduction of lifetime deposits. There are many potential complexities here. While such a scheme would enable tenants to reduce the cost of moving between properties, there could easily be problems if a first landlord needed to deduct funds to, for example, compensate for property damage or outstanding rent, so leaving the second landlord in need of a top-up payment. Would a loan or insurance scheme help in that situation? Possibly, but we await the detail.

Another change in the reform bill that could well impact the market is the potential tightening of minimum energy efficiency standards. The expectation at the moment is that if you rent a new property to a new tenant from April of 2025, you will have to meet level C on your Energy Performance Certificate. That requirement is tipped to extend to all existing properties from 2028. In some cases, it's quite a steep jump requiring considerable investment. Landlords of properties at or below the requisite efficiency levels now are well advised to begin putting money aside for capital improvements.

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# From DIY expert to property portfolio holder..

When it comes to explaining what Chinneck Shaw is all about, James McGuire's story sums it up perfectly.

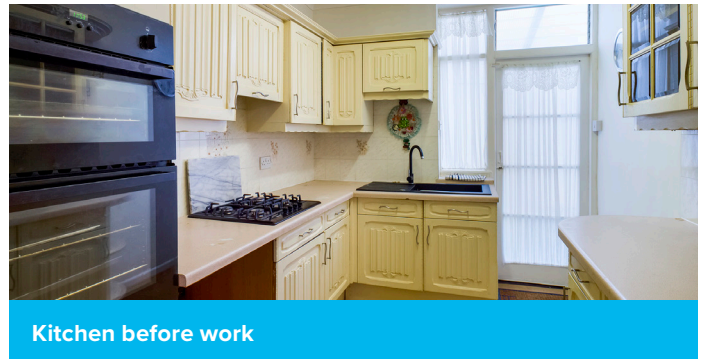
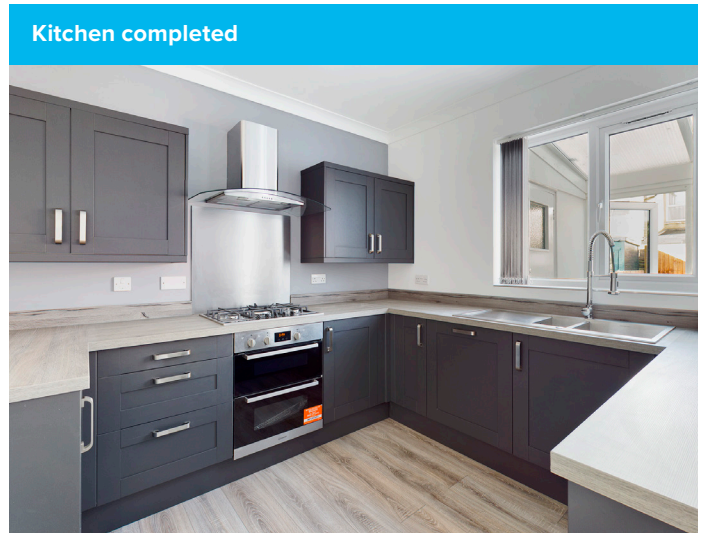
Back in June 2021 James bought a house in Kingsley Road, Southsea that was being marketed by Chinneck Shaw. Having honed his renovating skills buying and selling homes where he himself lived, James decided to start buying homes to let with the aim of building a property portfolio.

The property in Kingsley Road was his second acquisition and as you can see from the before and after pictures, he didn't skimp when it came to making the three bedroom property into a truly desirable family home. "I did half the work myself and my friend who has a building company helped me with major works like knocking walls down. When I bought the house, I could see the potential. I used to live on the next road up and I knew the area well. I knew it was a nice place to live with schools and a park nearby and only a short distance from the beach." "It had the potential to deliver the most profit and to make a nice family home," James explained.

He comes from an electrical background and now works full-time on his property portfolio. "I started off with my own houses. I renovated the first one and sold that and then did that a few times until I built up a substantial fund when I sold my house in Drayton. That allowed me to invest in the Kingsley Road property and I'm now on the lookout for more properties," he said.

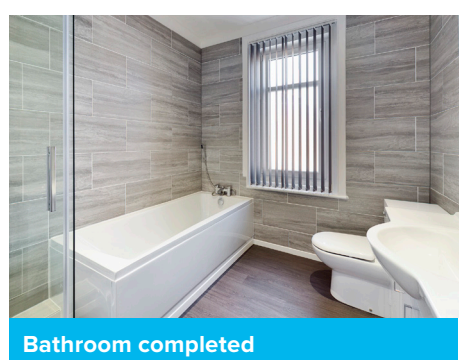
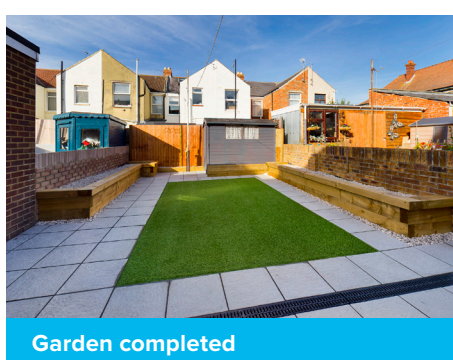
The major renovations at Kingsley Road included knocking through the dining room into the small kitchen and moving the back door to allow a window to be added. "I've done up quite a few houses but never one that was quite as rundown as Kingsley Road was when I started. I must admit I did get quite a kick out of seeing the transformation," he said.

James was so pleased with the service he received from Chinneck Shaw when he was buying the property in Kingsley Road, he decided to use the agency to manage his property portfolio. "They are the best estate agents I have ever dealt with - I get along with them all so well. That's why I asked them to manage my properties and to help me find tenants for my houses.



"With the rental market being what it is, finding tenants for my two houses has been straightforward and they seem to appreciate the work that has been done to make sure they have nice homes to rent. I'm doing this for the long-term. I don't want to have to work until I'm 70. When it comes to my retirement, if I can get half a dozen properties that then allow me to chill out somewhere with a glass of sangria, then that's what I want to be doing when I reach a certain age," he said.

**Chinneck Shaw Property Manager, Joe Rocks, said:**  
 "We are really proud to be working with James and to share in this journey with him, from him buying a property and seeing the progress as he renovated it, right through to the end result and us finding him a tenant. The transformation of Kingsley Road was really something that had to be seen to be believed. James worked really hard and the quality of work and attention to detail is amazing. It really paid off and a tenant was found quickly. As managing agents we share the values of our clients and work with them to ensure their property portfolio's achieve the best results."

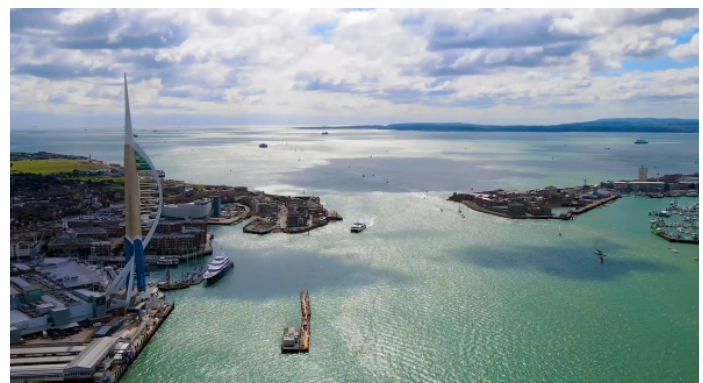




# Great to see Portsmouth Respond to a New Way of Living

When we saw Portsmouth City Council's announcement to create a new green space in the city centre, it made our hearts sing. Coming on top of the recent news in the Chancellor's budget statement that there are plans to create the UK's longest urban park at the northern end of Portsea Island – this latest announcement, can only help make the city even more attractive to buyers and investors.

According to the council's website, they are looking at a multi-functional, green space that will not only serve existing communities and users of the city centre but will also be the linchpin for new homes and a new community. The ambitious long-term plans extend beyond the former Sainsbury's site, and the proposed development sees a phased approach of work that could total 9 hectares of land. Now called City Centre North the regeneration plans stretch from Charlotte Street to Hope Street to Commercial Road. While it is still early days, experts predict it could take 10 years for the new green space to become a reality.



### Parks are important because:

- They can revitalise an area
- They bring positive economic benefits
- They create safer neighbourhoods
- They promote public health
- They are a space where children can learn about the natural world
- They provide a green link between communities and provide a breathing space

During the pandemic, Portsmouth's parks and open spaces were used up to three times more than normal. This is unsurprising when we consider that in some neighbourhoods as many as 43% of people do not have access to a garden.

It's widely recognised that our city centre needs to evolve with the times; just look at the current situation with high street retail, for example. From working and travelling to feeling safe and healthy, if there is one thing that the Covid-19 pandemic has taught us, it is that people need access to natural open space, especially in built-up areas.

However, the plans go beyond creating a beautiful park. The proposed green space will work in tandem with the council's other regeneration projects, such as prioritising pedestrian and cycle travel, supporting local business, and delivering new homes. The City Council's Local Plan is now being finalised following the latest round of public consultation. In response to comments from the consultation these new regeneration plans look to achieve a happier, healthier, and greener city.



**5 star review.**

**Very professional and helpful throughout – a pleasure to deal with.**

Many thanks to everyone who has given us five star reviews on Google recently, to see our reviews or to leave your own please search Chinneck Shaw on Google or on Working Feedback.

Providing customer satisfaction is by far the most rewarding part of our job so it's brilliant to receive such feedback – especially at a time like the present.

# Looking after properties with a rich history

Our property management team gets to work with a fascinating array of owners and George Langton is a case in point. He has a passion for the past and the two properties that he owns in Eastney are steeped in local history.



The former Cumberland Tavern and the site where the famous Birdcage Club once stood are now home to flats managed by Chinneck Shaw.

George explained: “The Cumberland Tavern dates back to 1937 and it was one of five or six large pubs built in Portsmouth including the Good Companion and one in Granada Road in Southsea. During the Second World War, Canadian soldiers were billeted in Bransbury Park and they used to use the clubroom at the back of the pub.”

“When the clubroom was demolished and the panelling was taken off the walls, we found cut throat razors that must have been hidden there during a police raid or something.”

The Birdcage Club is still talked about in reverential tones more than 50 years after the last band played there. The Who, Pink Floyd, Rod Stewart, David Bowie and Jimmy James and the Vagabonds are just some of the musical greats who graced the stage.

In just two short years from 1965 to 1967, the club became a magnet for bands on the rise and the venue drew crowds from across the city. Sadly the building eventually burned down. Joseph Court now stands in its place – and a blue plaque reminds us of its remarkable place in music history.

As a man with so much time for the past, it seems only fitting that George chose Chinneck Shaw to manage his 18 flats.

“They are one of the oldest firms still trading in Portsmouth and I am very happy with the way they look after my properties.

“I’ve always been fascinated with the history of Portsmouth and its buildings – you learn something new every day,” he said.

Thank you to Nigel Grundy for the photo of The Birdcage and to find out more about Portsmouth’s music scene go to [www.portsmouthmusicexperience.org.uk](http://www.portsmouthmusicexperience.org.uk)

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